

CLAUSE I-57 – GOVERNMENT PROPERTY (FIXED-PRICE) (August 2002)

(a) Government-furnished property.

- (1) SURA shall deliver to the Subcontractor, for use in connection with and under the terms of this subcontract, Government-furnished property described in the Schedule or specifications together with any related data and information that the Subcontractor may request and is reasonably required for the intended use of the property (hereinafter referred to as "Government-furnished" property).
- (2) The delivery or performance dates for this subcontract are based upon the expectation that Government-furnished property suitable for use (except for property furnished "as-is") will be delivered to the Subcontractor at the times stated in the Schedule or, if not so stated, in sufficient time to enable the Subcontractor to meet the subcontract's delivery or performance dates.
- (3) If Government-furnished property is received by the Subcontractor in a condition not suitable for the intended use, the Subcontractor shall, upon receipt of it, notify the Subcontracting Officer, detailing the facts, and, as directed by the Subcontracting Officer and at SURA's expense, either repair, modify, return, or otherwise dispose of the property. After completing the directed action and upon written request of the Subcontractor, the Subcontracting Officer shall make an equitable adjustment as provided in paragraph (h) of this clause.
- (4) If Government-furnished property is not delivered to the Subcontractor by the required time, the Subcontracting Officer shall, upon the Subcontractor's timely written request, make a determination of the delay, if any, caused the Subcontractor and shall make an equitable adjustment in accordance with paragraph (h) of this clause.

(b) Changes in Government-furnished property.

- (1) The Subcontracting Officer may, by written notice –
 - (i) Decrease Government-furnished property provided or to be provided under this subcontract, or
 - (ii) Substitute other Government-furnished property for the property to be provided by SURA, or to be acquired by the Subcontractor for SURA, under this subcontract. The Subcontractor shall promptly take such action as the Subcontracting Officer may direct regarding the removal, shipment, or disposal of the property covered by such notice.
- (2) Upon the Subcontractor's written request, the Subcontracting Officer shall make an equitable adjustment to the subcontract in accordance with paragraph (h) of this clause, if SURA has agreed in the Schedule to make the property available for performing this subcontract and there is any –
 - (i) Decrease or substitution in this property pursuant to subparagraph (b)(1) above; or
 - (ii) Withdrawal of authority to use this property, if provided under any other subcontract or lease.

(c) Title in Government property.

- (1) The Government shall retain title to all Government-furnished property.
- (2) All Government-furnished property and all property acquired by the Subcontractor, title to which vests in SURA under this paragraph (collectively referred to as "Government property"), is subject to the provisions of this clause. However, special tooling accountable to this subcontract is subject to the provisions of the Special Tooling clause and is not subject to the provisions of this clause. Title to Government property shall not be affected by its incorporation into or attachment to any property not owned by SURA, nor shall Government property become a fixture or lose its identity as personal property by being attached to any real property.
- (3) Title to each item of facilities, special test equipment acquired by the Subcontractor for SURA under this subcontract shall pass to and vest in SURA when its use in performing this subcontract commences or when SURA has paid for it, whichever is earlier, whether or not title previously vested in SURA.
- (4) If this subcontract contains a provision directing the Subcontractor to purchase material for which SURA will reimburse the Subcontractor as a direct item of cost under this subcontract –
 - (i) Title to material purchased from a vendor shall pass to and vest in SURA upon the vendor's delivery of such material; and
 - (ii) Title to all other material shall pass to and vest in SURA upon –
 - (A) Issuance of the material for use in subcontract performance;
 - (B) Commencement of processing of the material or its use in subcontract performance; or
 - (C) Reimbursement of the cost of the material by SURA, whichever occurs first.

- (d) Use of Government property. Government property shall be used only for performing this subcontract, unless otherwise provided in this subcontract or approved by SURA.
- (e) Property administration.
 - (1) The Subcontractor shall be responsible and accountable for all Government property provided under this subcontract and shall comply with Federal Acquisition Regulation (FAR) Subpart 45.5 and the DOE Acquisition Regulation Subpart 945.5, as in effect on the date of this subcontract.
 - (2) The Subcontractor shall establish and maintain a program for the use, maintenance, repair, protection, and preservation of Government property in accordance with sound industrial practice and the applicable provisions of Subpart 45.5 of the FAR and the DOE Acquisition Regulation Subpart 945.5.
 - (3) If damage occurs to Government property, the risk of which has been assumed by SURA under this subcontract, SURA shall replace the items or the Subcontractor shall make such repairs as SURA directs. However, if the Subcontractor cannot effect such repairs within the time required, the Subcontractor shall dispose of the property as directed by SURA. When any property for which SURA is responsible is replaced or repaired, SURA shall make an equitable adjustment in accordance with paragraph (h) of this clause.
 - (4) The Subcontractor represents that the subcontract price does not include any amount for repairs or replacement for which SURA is responsible. Repair or replacement of property for which the Subcontractor is responsible shall be accomplished by the Subcontractor at its own expense.
- (f) Access. The Government and/or SURA and all their designees shall have access at all reasonable times to the premises in which any Government property is located for the purpose of inspecting Government property.
- (g) Risk of loss. Unless otherwise provided in this subcontract, the Subcontractor assumes the risk of, and shall be responsible for, any loss or destruction of, or damage to, Government property upon its delivery to the Subcontractor or upon passage of title to SURA under paragraph (c) of this clause. However, the Subcontractor is not responsible for reasonable wear and tear to Government property or for Government property properly consumed in performing this subcontract.
- (h) Equitable adjustment. When this clause specifies an equitable adjustment, it shall be made to any affected subcontract provision in accordance with the procedures of the Changes clause. When appropriate, SURA may initiate an equitable adjustment in its favor. The right to an equitable adjustment shall be the Subcontractor's exclusive remedy. SURA shall not be liable to suit for breach of subcontract for –
 - (1) Any delay in delivery of Government-furnished property;
 - (2) Delivery of Government-furnished property in a condition not suitable for its intended use;
 - (3) A decrease in or substitution of Government-furnished property; or
 - (4) Failure to repair or replace Government property for which SURA is responsible.
- (i) Final accounting and disposition of Government property. Upon completing this subcontract, or at such earlier dates as may be fixed by SURA, the Subcontractor shall submit, in a form acceptable to SURA inventory schedules covering all items of Government property (including any resulting scrap) not consumed in performing this subcontract or delivered to SURA. The Subcontractor shall prepare for shipment, deliver f.o.b. origin, or dispose of Government property as may be directed or authorized by SURA. The net proceeds of any such disposal shall be credited to the subcontract price or shall be paid to SURA as it directs.
- (j) Abandonment and restoration of Subcontractor's premises. Unless otherwise provided herein, SURA –
 - (1) May abandon any Government property in place, at which time all obligations of SURA and/or SURA regarding such abandoned property shall cease; and
 - (2) Has no obligation to restore or rehabilitate the Subcontractor's premises under any circumstances (e.g., abandonment, disposition upon completion of need, or upon subcontract completion). However, if Government-furnished property (listed in the Schedule or specifications) is withdrawn or is unsuitable for the intended use, or if other Government property is substituted, then the equitable adjustment under paragraph (h) of this clause may properly include restoration or rehabilitation costs.
- (k) Communications. All communications under this clause shall be in writing.
- (l) Overseas subcontracts. If this subcontract is to be performed outside of the United States of America, its territories, or possessions, the words "Government" and "Government-furnished" (wherever they appear in this clause) shall be construed as "United States Government" and "United States Government" Government-furnished," respectively.

